

ELTEK GROUP**Profit and Loss Account**

	<u>Whole year</u>			<u>4th Quarter</u>	
	<u>2002</u>	<u>2001 excl. non-rec. items</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Revenue	888 441	1 498 690	1 498 690	231 982	305 477
Cost of goods sold	577 626	962 171	1 031 260	153 998	198 079
Other operating costs	343 837	463 613	534 230	79 119	103 079
Depreciation	25 823	23 940	23 940	7 618	6 801
Amortisation and impairment of goodwill	5 176	26 736	506 736	1 149	1 555
Total operating costs	952 462	1 476 460	2 096 167	241 884	309 513
Operating profit	-64 021	22 230	-597 476	-9 902	-4 036
Share of result in associated companies	590	197	197	-39	225
Financial income and costs	-12 686	-15 283	-15 283	-5 198	-3 517
Net financial items	-12 096	-15 086	-15 086	-5 236	-3 291
Profit before tax, continuing operations	-76 117	7 144	-612 562	-15 138	-7 327
Taxes, continuing operations	-4 862	4 879	-76 042	183	-4 002
Net profit, continuing operations	-71 255	2 265	-536 520	-15 321	-3 325
Minority interests, continuing operations	1 156	4 536	3 523	-3	685

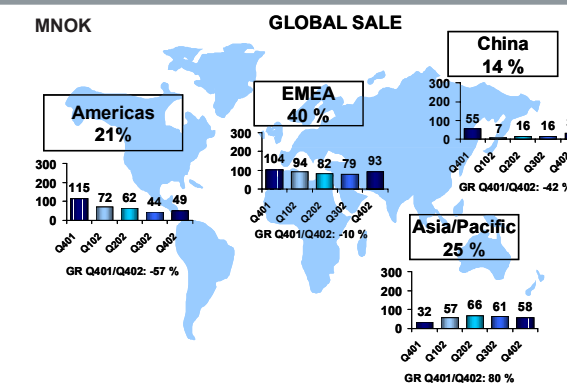
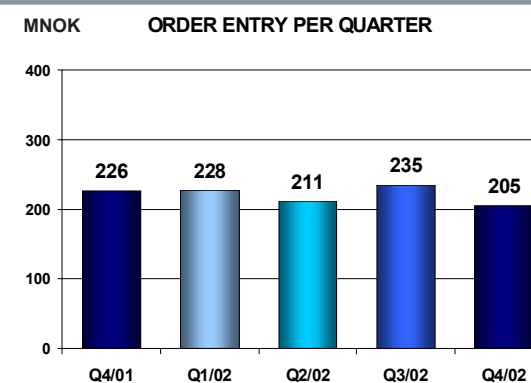
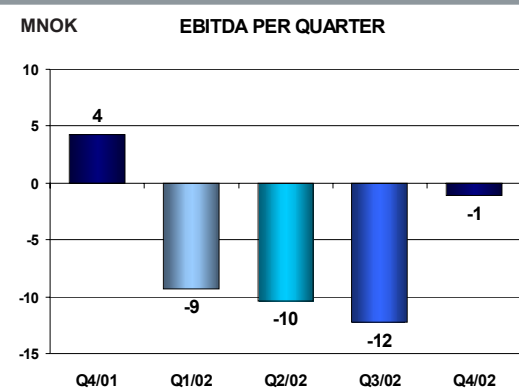
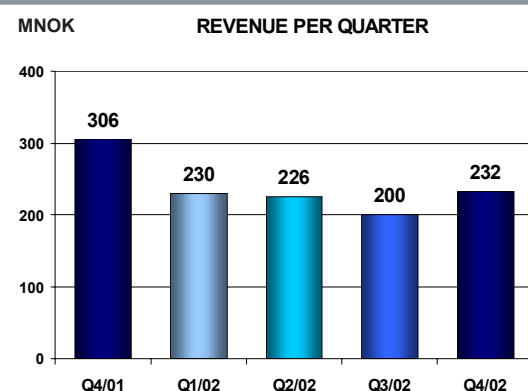
Balance Sheet

	<u>31.12.2002</u>	<u>31.12.2001</u>
Goodwill	41 046	61 678
Other fixed assets	166 257	218 563
Share of associated companies	16 024	15 702
Total fixed assets	223 326	295 942
Inventories	160 684	286 793
Trade receivables	221 107	309 279
Other short term receivables	33 347	37 194
Cash and cash equivalents	133 994	113 740
Total current assets	549 133	747 006
Total assets	772 459	1 042 948
Share capital	24 463	24 463
Other equity	262 148	422 280
Minority interests	19 228	24 059
Total equity	305 839	470 802
Provisions	10 793	29 879
Long term liabilities	188 345	208 659
Bank overdraft	43 269	51 107
Trade creditors	102 100	119 408
Other short term liabilities	122 114	163 092
Total short term liabilities	267 483	333 608
Total equity and liabilities	772 459	1 042 948
Equity ratio	39.6 %	45.1 %

Report fourth quarter 2002

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Highlights

- Revenue 232 MNOK
- Order entry 205 MNOK
- EBITDA -1 MNOK
- Continued positive Cash Flow
- New OEM-agreement
- New GSM contract in Russia
- New GSM contract in France
- New Tetra contract in the UK

(figures for 2001 in brackets)

Financial

Eltek achieved revenue of 232.0 (305.5) MNOK in the fourth quarter, a decline of 24 % compared to the fourth quarter last year. EBITDA was -1.1 (4.3) MNOK and profit before tax was -15.1 (-7.3) MNOK.

Gross margin in the fourth quarter was 33.6 %, compared to 35.3 % in the previous quarter. The reduced margin is attributable to product and market mix. Operating cost reduction continued with a reduction of 4 MNOK from the third quarter. Since fourth quarter last year the reduction in quarterly costs has been lowered by 24 MNOK (23 %). Depreciations include 2 MNOK in writedown of assets.

Key Figures

Continuing operations

Amounts in NOK mill

	Whole year		4 th quarter	
	2002	2001	2002	2001
Revenue	888.4	1 498.7	232.0	305.5
EBITDA	-33.0	72.9	-1.1	4.3
%	-3.7 %	4.9 %	-0.5 %	1.4 %
EBIT	-64.0	22.2	-9.9	-4.0
%	-7.2 %	1.5 %	-4.3 %	-1.3 %
Financial items	-12.1	-15.1	-5.2	-3.3
Profit before tax, before non-recurring items	-76.1	7.1	-15.1	-7.3
Taxes	4.8	-4.9	-0.2	4.0
Net profit, before non-recurring items	-71.3	2.3	-15.3	-3.3
Goodwill write-down		-480.0		
Other non-recurring items		-139.7		
Tax on non-recurring items		80.9		
Net profit	-71.3	-536.5	-15.3	-3.3
Minority interests	1.2	3.5	0.0	0.7
Basic EPS (NOK) before non-recurring items	-2.96	-0.09	-0.63	-0.16
Basic EPS (NOK)	-2.96	-22.11	-0.63	-0.16
Cash EPS (NOK) before non-recurring items	-2.75	1.00	-0.58	-0.10
Cash EPS (NOK)	-2.75	-1.36	-0.58	-0.10
Order entry ¹⁾	879.4	1 270.0	204.8	226.0

¹⁾ Excl. cancellations/deletions in 2001

Order entry in the fourth quarter was 205 (226) MNOK and order backlog at the end of the year was 132 (141) MNOK.

Cash flow was 3 MNOK in the fourth quarter and 27 MNOK for the year.

Revenue for 2002 was 888.4 (1 498.7) MNOK, a decline of 41 % compared to previous year. A significant part of this was caused by the strengthening of the Norwegian currency. Net of currency impact the decline in revenue was 32 %. Profit before tax was -76.1 MNOK, compared to last year, 7.1 MNOK, before non-recurring items.

Review of the market and Eltek's position

The telecom power market continues to be difficult and dropped in 2002 by 35-40 %. With a fall of 32 % net of currency impact Eltek at least maintained its market position.

Eltek increased revenue by 16 % in the fourth quarter compared to the third quarter. All regions except Asia/Pacific showed revenue increase with the strongest improvement in China, where revenue doubled from the third quarter.

In the fourth quarter Eltek was selected as a preferred vendor of power systems to Nortel Networks. With this multi-year contract Eltek will have the opportunity to supply power solutions to all business units within Nortel Networks worldwide. The contract represents an important break-through for Eltek's efforts to increase sales to the telecom equipment manufacturers (OEM's). Another important achievement was a contract in the UK for a public Tetra network. Eltek was also awarded new contracts for GSM projects in Russia and France.

Restructuring

The adjustment of the organisation continued in the fourth quarter with a further reduction in the number of employees by 18 to 559 at the end of the year. In addition to the effect on operating cost in the fourth

quarter, further effects will materialize in the first quarter 2003.

Outlook

As a result of restructuring over the last two years Eltek has reduced operating costs to achieve breakeven EBITDA at the current revenue and margin level. The telecom power business continues to be challenging and is not expected to change significantly in 2003. However, based on new contracts, prospects being developed and a competitive product range, Eltek is well positioned to take advantage of any opportunity the market presents.

Largest shareholders as at 31 December 2002

Salomon Smith Barney	33.3 %
Eltek Holding	17.2 %
Credit Agricole Indosuez	8.0 %
Aksjefondet Gambak	5.5 %
Skandinaviska Enskilda Banken	5.0 %
Euroclear Bank	4.4 %
Nordea Bank Finland	3.9 %
Tine Pensjonskasse	1.8 %
Sessen	0.7 %
Delphi Norge	0.7 %

Shareholders registered in VPS as at 06.01.2003

Drammen, 6 February 2003
The Board of Directors, Eltek ASA